



# **Two Ridings Community Foundation**

## **Annual Report & Financial Statements**

**For the period ended**

**31 March 2019**

Charitable Incorporated Organisation

Registration Number: 1166471

# Two Ridings Community Foundation

<b>Index</b>	<b>Page</b>
How Can You Help?	2
Annual Report	3-17
Statement of Trustees' Responsibilities	18
Independent Auditors' Report	19-21
Statement of Financial Activities	22
Balance Sheet	23
Statement of Cash Flows	24
Notes to the Accounts	25-53

# Two Ridings Community Foundation

## How Can You Help?

Two Ridings Community Foundation enables donors and philanthropists to reach the small, front-line charities and community groups that are making a real difference in North & East Yorkshire.

We offer individual donors, companies and grant making trusts a unique service – straightforward, personal and effective local giving.

You can help us support local communities across North & East Yorkshire by:

- Setting up a named fund to support a local community or cause
- Becoming a Supporter
- Leaving a gift in your Will
- Providing sponsorship or in-kind support
- Making a donation to one of our appeals like Surviving Winter

If you would like to know more about what we do or if you want to discuss how you can support your local community with the Two Ridings Community Foundation, we would be delighted to hear from you.

[www.tworidingscf.org.uk](http://www.tworidingscf.org.uk)    [info@tworidingscf.org.uk](mailto:info@tworidingscf.org.uk)    01904 929500

# Two Ridings Community Foundation

## The Chairman's Report

I have great pleasure in presenting the Two Ridings Community Foundation Trustees' Annual Report for the year to 31<sup>st</sup> March 2019. Our Foundation engages with small local charities across North & East Yorkshire and is one of 46 community foundations in the UK with the shared aim of helping individuals, businesses, charitable trusts and public sector bodies to connect with, support, and invest in their local communities.

During the year the Foundation, for the second time, distributed grants to local causes amounting to £1million. This is a significant level of support to charitable organisations in our region and is one which, with the generous support of our growing number of supporters and donors, we aim to continue and expand in future years. Since our inception in 2000 we have awarded over £10m in grants and are well regarded by local grassroots groups for the support offered as well as essential funding.

Notable success in this year were our inaugural High Sheriffs Dragons Den event, securing support for our work in Hull & Scarborough, including our first dedicated endowed fund for Hull and being grant making partner with Bettys – a brand synonymous with Yorkshire.

At the heart of this success is the commitment and dedication of our team and the quality and reach of our funds. With our staff, trustees and volunteer assessors, and our sound policies and procedures, we ensure our grants go to those groups able to make the most impact in their communities. We are very proud that our grant making continues to support so many charities and good causes across North & East Yorkshire. We are experiencing continuing demand for our support from organisations working across our region to improve the lives of young and old alike at a local level. We are committed to combatting loneliness, improving mental health, reducing isolation and food poverty or homelessness, as we are also in supporting community centres, youth groups, and improving the environment. Where we can help and where we can add value we will. During the year 255 local charities and individuals received grants from the Foundation ranging from £84 to £40,198. Yet the demands on our funds continue to exceed the funds available.

Most charitable giving in the UK goes to the large, well-funded, national charities with only a small proportion staying in the counties where there are networks of dedicated people working selflessly to improve the lives of people in their own communities. I was so proud of our first Dragons Den event, held in Settrington in October because it showcased five of the 255 charities we supported in 2018/19. We are committed to helping these small charities make a difference at a local level. We are enormously grateful for the support of all our donors who ensure we can continue to meet the needs of these communities.

The Alderman Jackson Fund for Hull and the Bettys Trees for Life Fund are the latest of the 43 active funds we hold on behalf of our donors. They know us to have an in depth knowledge of need in the region, are professional in our execution, effective in our delivery and flexible in our approach. Our donors are confident that with our expertise their funds make the biggest difference. We work closely with donors to understand what they want to achieve with their charitable giving and set up funds to meet those needs; whether it is about supporting a specific area or a specific cause or even a specific charity. Donors can be

confident that all their donations will go to local causes of their choice in North and East Yorkshire.

We husband our funds very prudently and have a sound approach to financial management, with financial expertise on both our board and on the staff team. I continue to be impressed how we, as a small charity but with ambitious aims and objectives, achieve what we do whilst operating with low overheads. The goal of the Foundation's trustees and its staff is to ensure the money we raise is well spent and carefully targeted.

Our investment partners CCLA and Brown Shipley work, with the careful oversight of our Investment Committee, to ensure funds are invested to optimise returns, whilst having regard for our risk profile. Our aim is to provide funding to address both the current needs of our communities and also to provide for grant making in future years.

Our grant making and the growth of our funds would not be possible without the generous support of our donors. One area of particular success that continued in 2018/19 was working with the trustees of charitable trusts to take over the management of trusts where they have become dormant or difficult for the current trustees to manage. During the year we received £265,300 of contributions to our endowment fund, resulting in further growth in the value of our endowment from last year's figure. Both the trustees of these trusts and the Charity Commission recognise our expertise and skill and as a result are confident under our stewardship the funds are revitalised and made available to groups in our region.

On behalf of the Board of Trustees, I would like to offer my sincere thanks to all of our donors, to our volunteers and to our supporters. Without their support we would not be in a position to provide the critical grant making that benefits so many local people and communities. I would also like to pay a special tribute to our dedicated staff ably led by our Chief Executive, Jan Garrill, who has done so much to raise awareness of Two Ridings CF and to establish new endowments for our Foundation. We are indeed fortunate to have such a committed team.

I'd also like to thank my fellow trustees who give of their time and talents to ensure that the foundation is a forward looking charity with effective governance and leadership. Looking to the future, I am confident that, with my fellow trustees and the team of staff and volunteers, Two Ridings Community Foundation will continue to play a vital role in supporting voluntary and community organisations and in helping to improve the lives of so many people in North & East Yorkshire.

James Naylor  
Chair

# Two Ridings Community Foundation Legal and Administration Information

## Trustees

James Naylor	(Chair)
Anthony Collinson	(appointed February 2019)
Paul Downey	
John Furness	
Hannah Harris (nee Purkis)	
Joe Leigh	(resigned September 2018)
Chris Legard DL	(appointed July 2019)
Alison Pearson	
Oliver Quarmby	(appointed May 2019)
Harriet Reid	
Deborah Rosenberg	(appointed November 2019)
Tracey Flannery (nee Smith)	(resigned September 2019)
Andrew Wilson	
Venetia Wrigley DL	
Daniel Yates	(resigned November 2018)

## Presidents

The Hon Mrs Susan Cunliffe-Lister Lord Lieutenant of the East Riding of Yorkshire  
The late Barry Dodd CBE, Lord Lieutenant of North Yorkshire (deceased May 2018)

## Chief Executive

Jan Garrill                      Chief Executive

## Registered Office

Pavilion 2000, Amy Johnson Way, Clifton Moor, York YO30 4XT

## Auditors

Hunter Gee Holroyd, Club Chambers, Museum Street, York YO1 7DN

## Bankers

Yorkshire Bank, 46 Coney Street, York YO1 9NQ

## Investment Managers

CCLA Investment Management Limited,  
Senator House, 85 Queen Victoria St, London, EC4V 4ET

Brown Shipley  
10 Wellington Place, Leeds, LS1 4AP

# Two Ridings Community Foundation

## Objectives and Activities

Two Ridings Community Foundation is a local, independent charity committed to improving the quality of people's lives and helping to build stronger communities for future generations in North and East Yorkshire. The Foundation is committed to supporting thriving communities by making grants and providing support to local community groups and small charities. We do this through the generous support of individuals, businesses, charitable trusts and public sector bodies who donate funds to the Foundation to support and invest in their local communities

### Charitable Purpose

The Foundation's principal purpose is the promotion and support of any charitable activity for the benefit of the community in the City of York, the County of North Yorkshire, the County of the East Riding of Yorkshire and the City of Kingston upon Hull<sup>1</sup>. Particular aims include the advancement of education, the promotion of good health and the relief of poverty and sickness.

### Public Benefit

The Foundation has met its objectives regarding Public Benefit through the management of grant and support programmes to voluntary and community groups benefitting people living in North and East Yorkshire. We can make awards to groups outside this primary area of benefit should a donor or fund holder so wish.

Further details of the 255 grants awarded are set out in notes 7 and 25 to the financial statements. Trustees confirm that they have understood and implemented the Charity Commission's guidance on Public Benefit when planning and reviewing the Foundation's charitable activities and policies. Every aspect of the work and expenditure of the Foundation is wholly aimed at public benefit. The grant making programme is directed at supporting community groups or individuals across North and East Yorkshire. The endowment of the Foundation is invested so that the yield on the funds is distributed to community groups for the members of the public of North and East Yorkshire, to local community groups and organisations (and some individuals) that are working to address community needs and improve the quality of life in the region.

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<sup>1</sup> We can also carry out other similar activities in other parts of the United Kingdom and elsewhere which are, in the opinion of the Board, beneficial to the community.

## **Aims**

In order to achieve its charitable purpose and vision, the Foundation has two primary aims:

- To promote and facilitate philanthropy to raise funds for both immediate grant making and to grow the Foundation's long-term endowment, ensuring grants will be available for years to come.
- To make grants to community projects, voluntary groups and small charities across North and East Yorkshire that address community needs and improve quality of life.

**We achieve our aims through our three year strategy 2017-20 which has two primary objectives:**

### **Grant Maker of Choice in North & East Yorkshire**

Two Ridings Community Foundation is a grant making body that receives and distributes funds in support of charitable work within North and East Yorkshire. Grant making is the method by which the Foundation seeks to achieve its primary goal; addressing community needs and improving quality of life. We are increasingly using our Vital Signs reports to guide and encourage our donors to support the issues and needs highlighted in these reports.

We receive money from individuals, businesses, charitable trusts and public sector bodies who ask us to manage funds and run programmes of grant making and support activity on their behalf. Typically such programmes have specific criteria in terms of what the grants are seeking to achieve and this can determine the size of the grants, whether grants can be made to individuals as well as charitable organisations and the process to allocate awards. The majority of our grants range from £500 - £10,000, with an average of £4,221

As a result our grant making covers a wide range of charitable causes and we are becoming one of the first ports of call for funds for charitable groups in North & East Yorkshire. We strive to continue to offer a friendly and supportive service to grant applicants, many of whom are new to applying for grants. We have developed our support to groups through our programme of funding workshops across the region and in 2019/20 look forward to extending our wider capacity support to groups through the HEY Confident Futures Programme for 2019-2022, funded by The Rank Foundation and The National Lottery Community Fund.

### **Encouraging Local Giving and Philanthropy in North & East Yorkshire**

The Foundation promotes local giving and philanthropy by raising awareness of local need (for example via Vital Signs reports). The Foundation offers a bespoke service for current and would-be philanthropists by managing tailored and effective giving that makes a real difference to local people and places. As we work with and fund smaller voluntary and charitable causes, our work on promoting philanthropy helps these groups access essential funds that otherwise would not be available to them.

We have also been particularly successful at highlighting these groups through our new programme of High Sheriffs Dragons Den events with associated Seeing is Believing visits.



These are showcases for these grassroots groups who day in day out deliver quality services and activities yet very rarely have the chance to show off what they do and why.

Our programme of place based funds also continues to grow and develop. We have established this concept of a local fund for a place because we recognise that Two Ridings area of North & East Yorkshire is a large and varied place; having funds dedicated for local places like York, Harrogate District, Scarborough etc means that there is a convenient fund for both donors and groups who want to fund or deliver activity in one place.

### **Knowing our communities and delivering excellence in service and governance**

These two objectives are supported by two further objectives within our three year strategy: knowing our communities and delivering excellence in service and governance. The section on achievements and performance demonstrates our achievement of the objectives in our three year plan for 2017-20.

The Two Ridings Community Foundation seeks to achieve its objectives by using its team of trustees, staff, volunteers and supporters. It is fortunate in having a small but dedicated team of staff, with core activities being programme management (grant making and support to fund holders), finance and operations (investment & financial management, managing and monitoring payments and ensuring adherence to regulatory requirements), and leadership (managing the team, developing leads, convening on issues and advocating for philanthropy). With the contribution of its volunteers this core team can ensure that one of its hallmarks as a grant maker is sustained; grassroots grants delivered by an effective organisation that addresses need.

Two Ridings grants team and volunteer assessors ensure that applications are critically assessed both in terms of the applicant's ability to deliver the activity identified but also to ensure that the need exists for the activity. The Foundation has a growing team of these volunteer assessors and has worked proactively with them to ensure that they see the impact of their work and how it fits in with the foundation's wider strategy for philanthropy. It also benefits from volunteers who help us in the office, either on a regular basis or at times of peak demand. These volunteers have become part of the core team and without them the Foundation would not be the same.

## **Achievements and Performance**

This report covers the achievements and performance over a twelve month period from 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019.

There are a number of achievements to record, particularly with regard to a strong grant making performance and growth in funds. During this period the Foundation offered a broad range of grant funds across North & East Yorkshire, awarding 255 grants totalling £1,076,448. Our smallest grant was £84 and our largest was £40,198, with an average grant award of £4,221. We awarded 13 grants to individuals and 242 grants to groups. The average award to groups is £4,412 and the average to individuals is £670.

## **Achievements April 2018- March 2019**

We continued our sustained growth from previous years and achieved further improvement especially with regard to grant making and success with introducing new funds. The following summarises key achievements.

### **Encouraging Philanthropy**

- We established new relationships with donors who have generously provided us with an additional £267,659 in funds to support causes in the longer term;
- We further developed our expertise and profile in place based giving with THE LOCAL FUND for the Harrogate District making its first awards;
- We launched our new Bettys Trees for Life Centenary Fund. This is work kindly supported by the Bettys and Taylors Group;
- We held a successful High Sheriff of North Yorkshire Dragons Den event in October 2018, and used this to engage with local businesses and will be doing similar events in 2019/20;
- We continue to develop our relationships with the North & East Yorkshire Lieutenancy & Shrievalty;
- We held a number of joint philanthropy events with Handelsbanken, Wilkin Chapman and our trustees;
- We are very grateful to Andrew Wilson, trustee, whose firm sponsored the Brooks Macdonald fundraising dinner in January 2019; and
- Thanks to our colleagues at York Rotary we held an International Womens Day lunch which kick started our Women and Girls Fund.

### **Grant Maker of choice**

- We opened two new funds in the region, both of which made awards across Yorkshire. These funds were Bettys Trees for Life and Tampon Tax Community Fund
- We made grants totalling £1,076,448 and it has been a record breaking year in Two Riding's grant making history;
- We have built stronger relationships with key statutory agencies including Hull City Council, North Yorkshire County Council and York & North Yorkshire Local Enterprise Partnership;
- We hosted 11 grant making panels of interested parties which together with our own Grants Committee, gave of their time and expertise to help make our grant making robust and transparent; and
- We assessed 559 applications and awarded 255 grants. All grants are monitored and 15 received additional monitoring visits.

## **Knowing our communities**

- We continued our extensive programme of outreach to ensure that as many groups as possible are aware of our funds. We have held 7 funding workshops ( and attended a number of funding fairs;
- We produced our Vital Signs report for the East Riding of Yorkshire and will be producing similar reports for the rest of the region this year;
- We participate in a number of key partnership groups, including leadership of the HEY100 leadership programme for Hull and East Riding of Yorkshire in partnership with the Lottery, Arts Council, Rank Foundation and Clore Social Leadership as well as a number of Hull based groups. Together with Joseph Rowntree Foundation we are building a network of York Funders with an engaging programme of meetings and are active participants in the Yorkshire & Humber Funders Forum.
- We take an active part in UKCF which is doing valuable work in evidencing the impact of grant making by UK community foundations. Our CEO is also a member of the UKCF Membership Committee and Board;
- We are one of a small number of community foundations that is working with UKCF and others on improving the transparency of grant reporting via reporting on GrantNav and our use of local insight data to improve our grantmaking.
- Together with The National Lottery Community Fund and the Sir George Martin Trust we led on the creation and dissemination of the Yorkshire & Humber Funding Ecology Report which we are using to evidence the need for greater and more collaborative funding of local activity in our region.

## **Excellence in service and governance**

- We recognised that as our endowment grows we need to bring in additional investment expertise and recruited Brown Shipley to work alongside CCLA on our investments.
- We held a number of development sessions; including an assessors workshop, 3 days of staff development and a board development away day. All of which have contributed to a stronger sense of shared mission and purpose.
- In the early part of the year we reviewed our data protection policies and information assets as part of our preparations for GDPR. We have also undertaken a full review of safe guarding procedures and issued new guidelines to our Assessors.
- Thanks to an unrestricted donation and the hard work of a volunteer we developed an improved and enhanced website which we launched on 1<sup>st</sup> April 2019. This has much better functionality for groups seeking funding, is a better shop window for donors and has much better accessibility.

# Plans for the Future

## Objectives for Year Ending 31<sup>st</sup> March 2020

The Foundation's objectives for the coming year are to build on the good foundations developed during the previous two years of our current three year plan. raising awareness, good governance, development and strength in grant making as well as capitalising on the support from Goldsmiths' Company Charity to ensure that we are able to achieve our three year plan goal for 2017-20 and in particular to grow our endowment to £6m in order to support long term needs in our communities.

## Our key priorities remain the same from 2017/18 but with a heightened focus on the first:

- Encourage local giving and philanthropy – with the aim of Two Ridings CF being well regarded for enabling donors to meet and support their philanthropic goals;
- Grant-maker of choice – with the aim that Two Ridings CF is known for being a proactive grant-maker that addresses local needs in its area and can evidence the difference it makes;
- Knowing communities – we understand the community in which we work and can match donors' philanthropic interests with need, support groups to make a difference and advocate for needs in our area; and
- Excellence in service and governance – Two Ridings CF continues to strive to provide excellent service to our donors and grant applicants, looks after its assets (staff, trustees and volunteers as well as funds and knowledge) and is recognised as being a proactive organisation that delivers on its values and achieves its objectives.

## We aim to achieve the following:

- Build on the success of previous years and increase the number of major donations and funds, using events, networking and other engagement means to evidence how Community Foundations like Two Ridings CF can make local giving effective, tax efficient and personally satisfying for the donor as well as the groups supported;
- To continue to build endowment funds that will ensure that monies are permanently available to community and voluntary groups in North & East Yorkshire;
- Wherever possible, use our funds to leverage further funding by demonstrating the power of local giving;
- Build our offer and grow the number of supporters;
- Develop our relationships with Professional Advisors across the region to create new legacies and charitable trusts managed through the Foundation for the benefit of local communities;

- To develop insights and knowledge of the key issues facing our communities so that partners and donors want to engage with us as their partner in local giving;
- To develop partnerships and funding streams to enhance our reach so that we can do more to address strategic needs in our region – key partnerships include the Rank Foundation, The National Lottery Community Fund, our Place Based Giving partner Coast and Vale Community Action, our LOCAL FUND for the Harrogate District partners Harrogate Borough Council and Harrogate & Ripon CVS and our network of Yorkshire Community Foundations;
- To enhance and develop our grant making and donor engagement by learning from others, developing our staffs' skills and expertise and employing new and innovative approaches to maximise our reach; and
- Further develop the skills and talents of our trustees, volunteers and staff so that we are well regarded as a good partner to work with and known for always working in the best interests of the people and communities of North & East Yorkshire.

# Structure, Governance and Management

## Charity Name

Two Ridings Community Foundation, previously the York and North Yorkshire Community Foundation and also known locally as the Community Foundation and Two Ridings CF.

## Charity Status

The Two Ridings Community Foundation is a Charitable Incorporated Organisation registered with the Charity Commission, Charity Registration No. 1166471.

The Charity was originally established and registered with the Charity Commission in October 2000, Charity Registration No. 1084043, governed by a Deed of Trust dated 5<sup>th</sup> October 2000 and amended on 27<sup>th</sup> April 2010 and 2<sup>nd</sup> February 2011. The new Charitable Incorporated Organisation was registered with the Charity Commission on 11 April 2016. On 1<sup>st</sup> September 2016 all the assets and liabilities of the former charity were transferred to the new Charitable Incorporated Organisation.

The charitable incorporated organisation (CIO) model for charities was launched by the Government in 2013 to combine the benefits of being a charity with those of being a company. Any charity that wanted to convert to CIO status had to wind up the old organisation and start a new CIO. Two Ridings CF trustees decided in 2015/16 that they wanted to convert Two Ridings from an unincorporated registered charity to a CIO because of the limited liability protection the CIO offers.

## Trustees

Trustees are individuals who form the Foundation's governing body and have the overall legal responsibility for the charity. Trustees guide the Foundation's vision, values and strategic direction; and support and promote the development of the Foundation. All Board members are expected to commit to and uphold the values and objectives of the Foundation; act with integrity and avoid/ declare personal conflicts of interest; give adequate time and energy to the duties of being a trustee; use their skills and experience to the benefit of the Foundation; attend and contribute to meetings and events.

A trustee may hold office for three years, until the third Annual General Meeting following their appointment. A retiring trustee is eligible for re-election, except that no trustee shall generally be eligible for re-election for a fourth consecutive term of office. Trustees who have served for a continuous period of nine years are not eligible for re-election to the Board for a period of two years following the end of their term of office. The constitution states that there must be a minimum of six and a maximum of sixteen trustees.

The day-to-day management of the Foundation is overseen by the Chair and the Board of Trustees.

## **Meetings**

Trustees formally meet as a board a minimum of four times throughout the year. At these meetings the trustees agree the broad strategy and areas of activity for the Foundation, including consideration of grant making, investment, fundraising, human resources, health and safety, reserves and risk management policies and performance. There are also regular reports from the CEO and the Finance Manager. All charity policies are reviewed on a rolling two year cycle.

Trustees are also members of sub-committees with the following delegated responsibilities:

**Finance & General Purpose:** Finance, Risk, Data Protection, IT and HR

**Investment Committee:** Investment management

**Grants Committee:** Grant making policies procedures and strategy

**Remuneration Committee:** Remuneration of the key management personnel

**Governance Committee:** Recruitment & selection of trustees including the chair and appointment to committee roles

## **Recruitment, Induction and Training of Trustees**

The Board keeps the skill requirements for the Trustee Body under review via the Governance Committee. Recruitment of new trustees is by open advertisement and dialogue with interested parties and is overseen by the Governance Committee. When an individual expresses an interest in becoming a trustee, an initial meeting is held with the Chair and subsequently with other trustees. References are sought and a proposal to appoint a new trustee is submitted to the Board for approval. Once an appointment has been made, the newly elected trustee undergoes an induction programme.

The Foundation keeps up-to-date with key developments by subscription to a number of membership organisations. Training is provided to trustees as and when required, through attendance at training and other Community Foundation events and online resources. A meeting of trustees each year is used to assess board effectiveness and agree action plans to address areas for development.

## **Remuneration of key management personnel**

Remuneration of key management personnel is reviewed annually by the Remuneration Committee and recommendations made to the Trustee Board. Their remuneration is also bench-marked with grant-making charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

## **Associations and Affiliations**

The Foundation is part of a national network of 46 independent Community Foundations across the UK. The Foundations' umbrella body, UK Community Foundations (UKCF) provides on-going help and support to Foundations. UKCF represents local Foundations at a national and international level, and negotiates and manages national grant making and funding opportunities. The Two Ridings Community Foundation pays an annual membership fee to be part of the network. For more information on UKCF visit [www.ukcommunityfoundations.org](http://www.ukcommunityfoundations.org). The Foundation is also a member of Community First

Yorkshire and York CVS, working with them and other local development agencies to promote its grants. We also joined Connect Yorkshire in 2018.

### **UKCF Accreditation**

The Foundation has the UKCF Quality Accreditation (QA4) issued in September 2017. The accreditation process is independently assessed, and is recognised by national funders and the voluntary sector as a mark of excellence for Community Foundations.

### **Risk Management**

The main risk facing the Foundation in 2018/19 was ensuring we managed our relationships and associated data in line with the increased regulatory frameworks that all charities face. These include the General Data Protection Regulations (GDPR) introduced in May 2018 and our sign up to the Fundraising Regulator. In addition we reviewed key policies and practice including a comprehensive review of safeguarding procedures.

The Foundation has a Risk Register which is updated and reviewed regularly by the relevant sub committees and trustee board. Trustees have identified the principal risks to which the charity is exposed and established appropriate controls and procedures to mitigate the risks including the following:

- To employ staff with appropriate training, skills and experience where necessary.
- To complete an annual business plan, including long term strategic development plan, diversification of income sources and fundraising for core costs.
- To review insurance provision annually.
- To review investments on a regular basis.
- To hold regular meetings between the Chair and the Chief Executive to discuss and review work load, aims and achievements.

### **Fundraising**

The Community Foundation is registered with the Fundraising Regulator which is the independent regulator of charitable fundraising. All our fundraising aims to meet the requirements of the Charity Commission, the Fundraising Regulator and the Information Commissioner's Office.

The vast majority of our income generation activity is undertaken by our own staff or on our behalf through introductions made by ambassadors and professional advisors. We also connect to potential donors and partners through networking and by raising our profile through communications. We do not share information about donors or supporters without their express permission.

We do not use direct marketing, telephone, or doorstep fundraising and do not employ professional fundraisers or use commercial participators to raise funds on our behalf. Some fundraising may be done for us by third parties, for example community groups who have supported our Disaster Relief funds, or funds where a donor wishes to raise money from friends or family in memory of a loved one.

The Community Foundation maintains records of all complaints received and during the year received no complaints on its fundraising activities.



# Financial Review

## Financial Statements

The financial statements cover the 12 month period from 1<sup>st</sup> April 2018 – 31<sup>st</sup> March 2019. The net movement in funds after investment gains and losses for the 12 month period was £476,629 (2018: £1,528,900)

Total income for the 12 month period to 31<sup>st</sup> March 2019 was £1,511,474 compared with £2,774,556 for the previous year. This included £265,300 for establishing new endowment funds. During the period 255 grants were awarded across 32 programmes totalling £1,076,448 (2017: £1,029,276).

The value of the Foundation's total endowment increased to £4,720,416 at 31<sup>st</sup> March 2019 from £ 4,188,491 at 31<sup>st</sup> March 2018.

## Reserves Policy

The Trustees are committed to holding general reserves to ensure that the core activities of the Foundation will continue into the future. The target is to hold a reserve fund equivalent to at least six months core operating costs of the organisation to ensure the smooth running of the Foundation in the event of short term variations in income or unforeseen financial circumstances. Based on the 2019-20 budget this would be £126,000. At 31<sup>st</sup> March 2019 the balance of available 'free' reserves, being the balance of unrestricted funds excluding fixed assets is £125,419, which is equivalent to approximately 6 months running costs. Trustees consider it prudent to maintain their policy of budgeting for modest surpluses on unrestricted funds with the aim of maintaining the level at 6 months over the medium term.

Summary of fund balances at 31<sup>st</sup> March 2019:

Unrestricted:	£126,207
Restricted:	£1,214,776
Endowment:	£4,720,416
Total funds at 31 <sup>st</sup> March 2019:	£6,061,399

## Investments Policy

The Investment Committee is appointed to oversee the management of the Foundation's investments and meets regularly to review investment performance and investment policy. The trustees have the power to invest in such assets as they see fit. Trustees are mindful of ethical investment considerations but at present have not adopted an ethical policy.

The Trustees have passed a total return resolution for permanent endowments taking effect from 1<sup>st</sup> April 2018 – see note 16 for further details. When determining the amount of unapplied total return to transfer to income the trustees have considered the amount of income required to maintain the current level of grant making activity and the likely needs of

future beneficiaries. The expendable endowment is also treated by Trustees as a long term capital fund to provide income for current and future grant making.

In holding long term investments the Trustees seek to achieve the following objectives:

- To grow the overall value of the investment in order to attract new donors to develop the philanthropic objectives of the Foundation
- To maintain the real capital value of the endowment over the long term and achieve a stable and sustainable return to fund grant making across our region and help support the operational costs of the Foundation.
- To invest in a medium risk portfolio consistent with the approach to risk agreed by Trustees.

The main investment risk to the Foundation lies in the combination of uncertain investment markets and volatility in yield. The Foundation manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges.

### **Investment Performance**

In May 2018 appointed Brown Shipley to manage part of our portfolio. The remainder of the portfolio is held with CCLA. The early part of the year therefore included a period of transition whilst investments were transferred.

Over the 12 month period the total return of the CCLA Charity Investment Fund was 12.2%, compared to a return on the comparator of 8.5%. The Property Fund has performed above benchmark, with performance supported by the broad portfolio structure. Income distributions over the period have averaged 3.5 – 5.5% per annum.

The performance of the Brown Shipley portfolio was affected by the down turn in the markets in the later months of 2018 due to the world economy and concerns over US monetary policy and the threat of a US-China trade war, occurring shortly after their appointment. Growth improved in the early part of 2019 influenced by the US decision to put on hold their programme of monetary policy normalisation. Overall performance was a return of 7.6% over the part year period which was in line with the comparator. Trustees are monitoring performance and satisfied that this is a reflection of the general performance of the markets during this time.

### **Commitments**

The trustees had made no commitments to future capital purchases, nor given any guarantees, at the balance sheet date.

Approved by the Board of Trustees on ..... 2019 and signed on their behalf by:

**James Naylor**

**Chair**

# **Two Ridings Community Foundation**

## **Statement of Trustees Responsibilities**

The trustees of Two Ridings Community Foundation are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# **Two Ridings Community Foundation**

## **Independent Auditor's Report to the Trustees of Two Ridings Community Foundation**

### **Opinion**

We have audited the financial statements of Two Ridings Community Foundation for the year ended 31<sup>st</sup> March 2019 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31<sup>st</sup> March 2019 and of its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

## **Responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

## **Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)]. This description forms part of our auditor's report.

## **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Nigel Everard BA FCA  
Senior Statutory Auditor  
For and on behalf of

HUNTER GEE HOLROYD  
Chartered Accountants and Statutory Auditors  
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